



3i Infrastructure plc

Half year results to 30 September 2019



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Our strategy

To maintain a balanced portfolio of infrastructure investments delivering an attractive mix of income yield and capital appreciation for shareholders

Our objectives

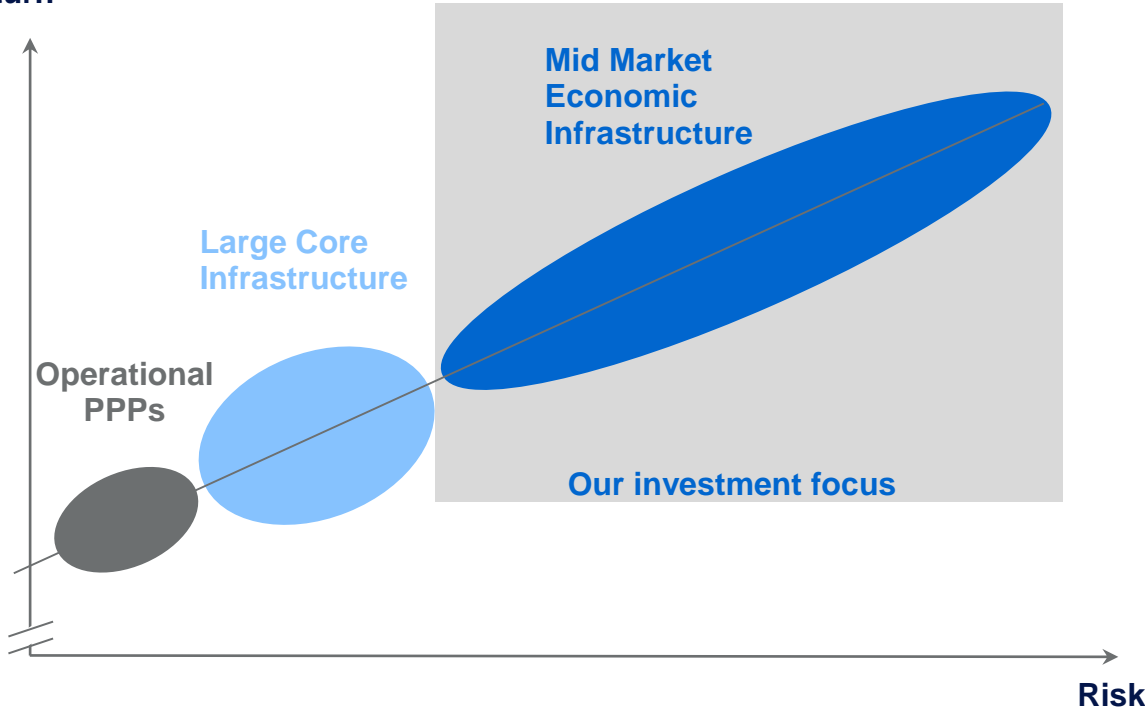
To provide shareholders with:

- **A total return of 8% to 10% per annum**, to be achieved over the medium term; and
- **A progressive annual dividend per share**

Our purpose is to deliver a long-term sustainable return to shareholders from investing in infrastructure

Generating value in the current market environment

Return



1

Buy well, selectively sell at the right time

2

Active asset management

3

Manage balance sheet efficiently

HY20 results: another successful period



Good portfolio performance drove growth in net asset value

5.8%

Total return on opening NAV

243.6p

NAV per share

Income and non-income cash in line with expectations

£57m

Total income and non-income cash

New investment in Ionisos further diversifies the portfolio

£186m

New investment

Placing of 81m new ordinary shares at a price of 275 pence per share

£223m

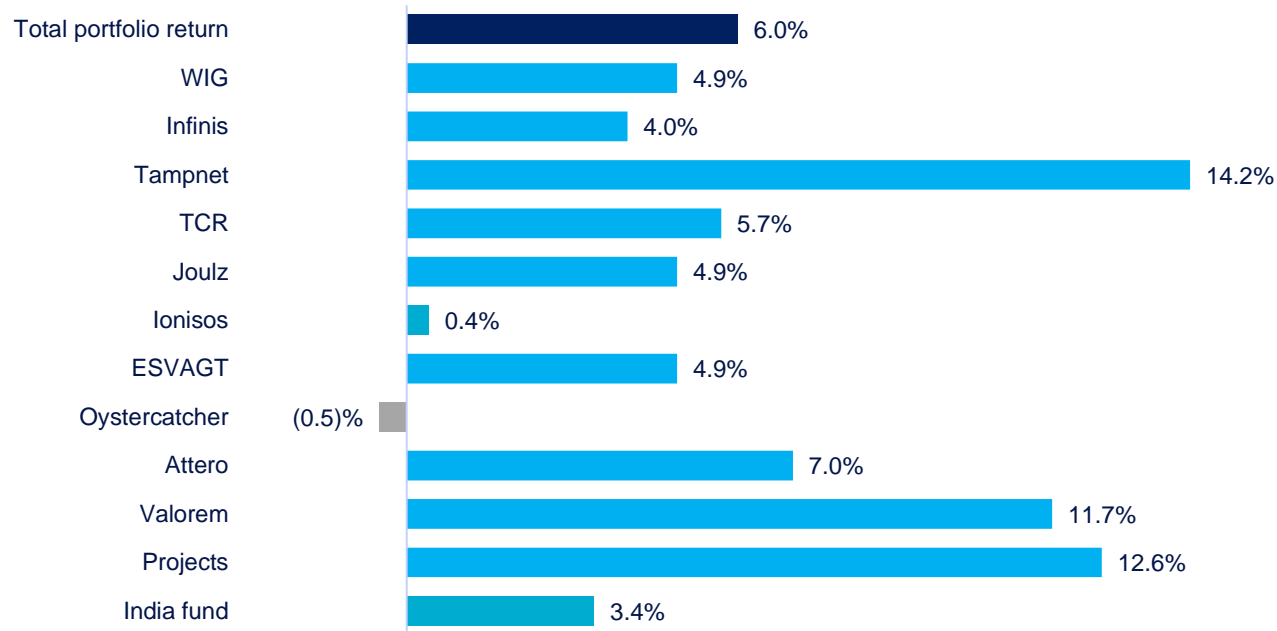
Gross proceeds

On track to deliver the FY20 dividend target, 6.4% higher than FY19

4.6p

Interim dividend per share

Good asset returns across the portfolio



New investment: Ionisos

Cold sterilisation for the healthcare industry

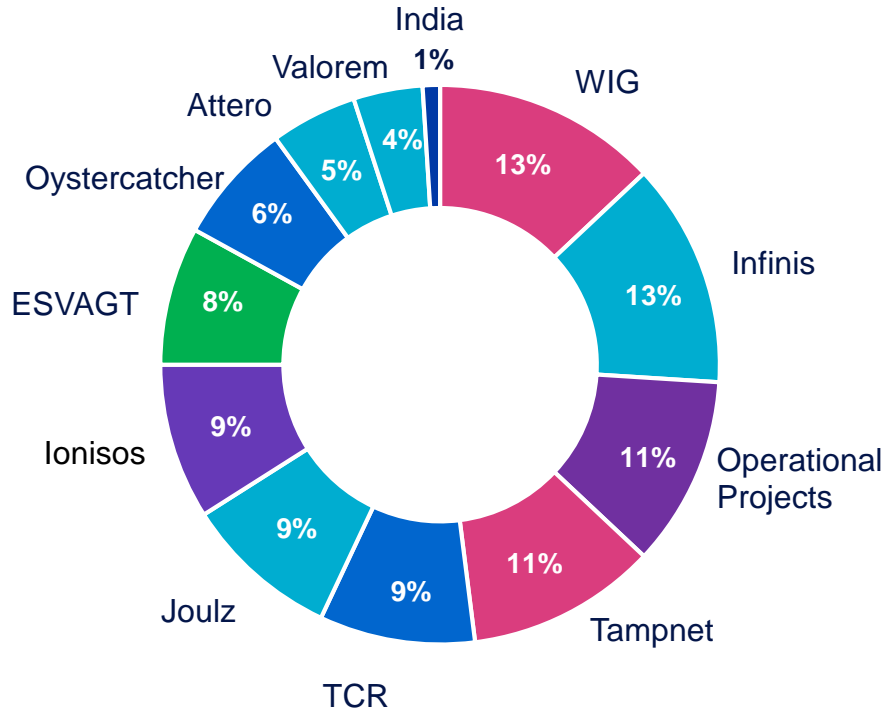


Ownership	95%
Date invested	September 2019
Management team HQ	Civrieux, France
Countries	France, Spain, Germany, Italy, Estonia
Currency	EUR
Sector	Social infrastructure

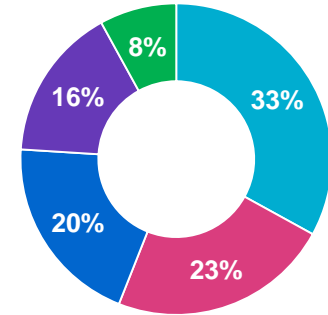
- Invested £186 million to acquire c.95% of Ionisos, alongside management
- Sourced outside of a formal auction process
- Third largest owner and operator of cold sterilisation facilities globally, servicing the medical, pharmaceutical and cosmetic industries
- Highly diversified customer base, delivering mission-critical services to its customers
- Attractive long term and non-cyclical demand dynamics (including ageing population)
- Stringent regulations providing high barriers to entry



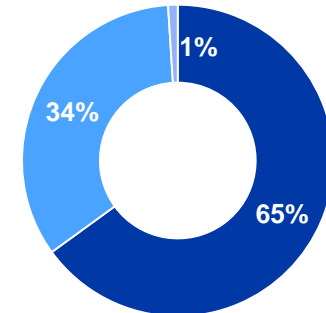
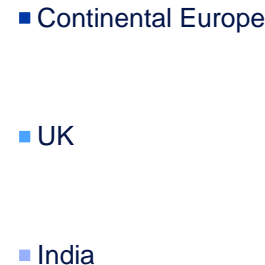
A balanced and well diversified portfolio



Portfolio value by sector

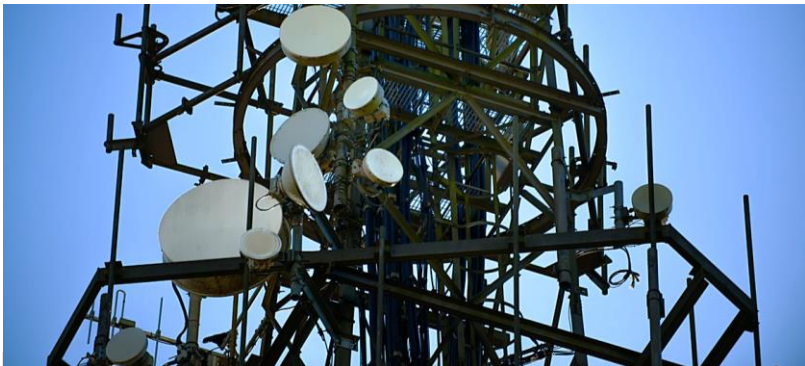


Portfolio value by geography



Wireless Infrastructure Group

Communications towers



Ownership	93%
Date invested	June 2016 and January 2018
Management team HQ	Bellshill, UK
Countries	UK, Ireland
Currency	GBP
Sector	Communications

- Core tower business continues to perform well, underpinned by long term, inflation linked contracts
- 5G introduction expected to offer opportunities
- Clear market leader in UK indoor networks after the acquisition of Arqiva's entire portfolio
- Extending its product offering to small venues and developing outdoor small cells business
- Exploring a number of further growth opportunities

Infinis

Generator of electricity



- Performing ahead of budget year to date
- Capacity market payments expected to resume sooner than anticipated following positive EC decision
- Exploring further organic growth opportunities
- Uncertain outlook for the “embedded benefits” received by Infinis pending regulatory review
- Added Richard Lewis as a Non-Executive Director



Ownership	100%
Date invested	December 2016 and April 2018
Management team HQ	Northampton, UK
Country	UK
Currency	GBP
Sector	Utilities

Tampnet

Offshore telecom network



- Core business in the North Sea performing ahead of investment case
- Strengthened the management team with the appointment of Magnus Mandersson as Chair
- New contract awarded to build and operate a 5G network on two platforms offshore Newfoundland, Canada
- Some delays in the build-out of deep water assets in the Gulf of Mexico
- Successful refinancing, earlier than planned, and on better terms than investment case



Ownership	50%
Date invested	March 2019
Management team HQ	Stavanger, Norway
Countries	Norway, UK, US
Currency	NOK
Sector	Communications

Essential energy infrastructure equipment and services



Ownership	100%
Date invested	April 2019
Management team HQ	Rotterdam, Netherlands
Countries	Netherlands
Currency	EUR
Sector	Utilities

- Performing ahead of investment case year to date
- Significant work ongoing to progress the carve-out from Stedin
- Strengthened the management team with the appointment of a Head of Metering, an interim CFO and a Financial Controller
- Strongly positioned to support and benefit from the Dutch government's commitment to decarbonise the economy



Ownership	46%
Date invested	July 2016
Management team HQ	Brussels, Belgium
Countries	10 European countries, Malaysia, Australia, New Zealand and US
Currency	EUR
Sector	Transportation / Logistics

- Continues to grow and perform well: present in c.150 airports vs. Less than 100 at the time of acquisition
- Customer renewal levels remain very high
- Integration of Aerolima, another lessor of GSE in France, adding c. 2,000 pieces of equipment and 20 airports, substantially completed
- Performing strongly in core European market, notably won BA contract at Heathrow
- After a successful entry into the US and Australian markets in the previous financial year, TCR won new contracts in the Middle East giving it a foothold in that region

Emergency response vessels and wind farm maintenance support vessels

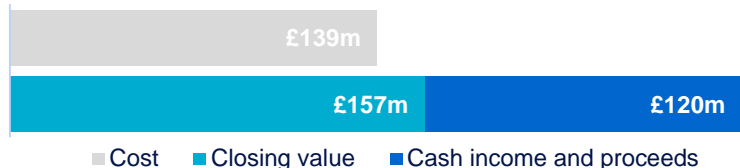


- Oil and gas market conditions and demand/supply dynamics continue to improve, leading to increasing contract coverage and rates
- Since acquisition, ESVAGT has signed contracts for five additional wind support vessels and the pipeline for new opportunities remains healthy, including in the US market
- New Chair, CEO and CFO appointed in the last 18 months, working well together

Ownership	50%
Date invested	September 2015
Management team HQ	Esbjerg, Denmark
Countries	Denmark, Norway and UK
Currency	DKK
Sector	Natural Resources / Energy

Oystercatcher

Oil product storage terminals

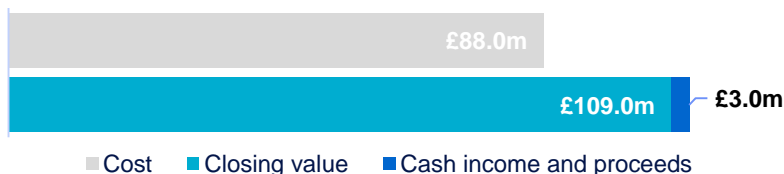


Ownership	45%
Date invested	August 2007 and June 2015
Management team HQ	Various
Countries	Netherlands, Belgium, Malta, Singapore
Currency	EUR
Sector	Transportation / Logistics

- The difficult market conditions for storage of certain oil product types continue
- Uncertainty over future fuel specifications for marine vessels and markets remaining in backwardation have impacted storage demand
- Expecting the market backdrop to improve in 2020
- Growing imbalance between supply and demand for gasoline storage in Asia Pacific underpins Singapore market in the middle term

Attero

Waste treatment and processing

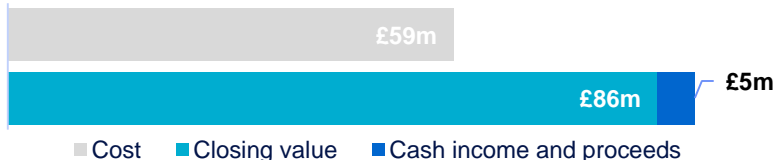


- Since acquisition, the business has performed ahead of investment case
- Appointed Mel Kroon as Chair in June 2019
- New waste supply contracts signed at higher gate fees, reflecting supply/demand imbalance in the European markets
- Landfill volumes and gate fees outperforming our expectations
- Facing some uncertainty relating to a proposed tax on waste imports to the Netherlands, which is expected to be debated in the Dutch parliament later in the calendar year

Ownership	25%
Date invested	June 2018
Management team HQ	Apeldoorn, Netherlands
Country	Netherlands
Currency	EUR
Sector	Utilities

Valorem

Onshore wind developer



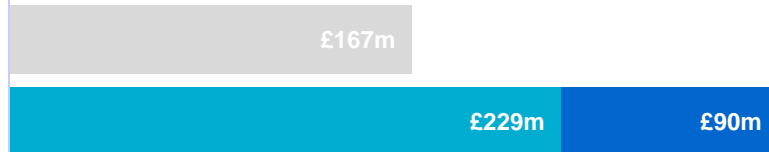
Ownership	28.5%
Date invested	September 2016
Management team HQ	Bègles, France
Country	France
Currency	EUR
Sector	Utilities

- Installed capacity has grown from 140MW at acquisition to 363MW (including c.100MW under construction) as at September 2019
- Pipeline for both wind and solar projects is developing faster than expected
- Successful diversification from wind-centric to multi-technology (wind, solar and hydro)
- Political support continues, with an official target to more than double onshore wind capacity in France in 10 years
- Acquired Force Hydrolique Antillaise, a hydro power operator and developer in the French Caribbean where Valorem is already present

Projects portfolio



- Excellent return in the period as several projects turned fully operational; very limited construction works now outstanding throughout the portfolio
- Discount rate lowered to reflect the reduced risk
- Ongoing return expected to be dilutive to the overall portfolio



■ Cost ■ Closing value ■ Cash income and proceeds

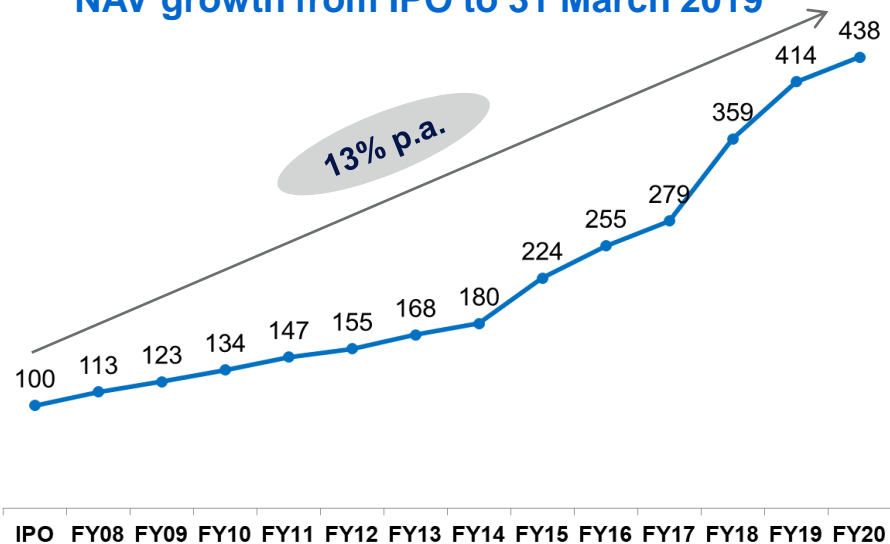
Appendix



Continued outperformance



NAV growth from IPO to 31 March 2019



Share price performance



TSR - to 30 September 2019

Half year

5 year p.a

Since IPO p.a

3iN

8.9%

19.4%

13.6%

FTSE 250

6.3%

6.7%

7.6%

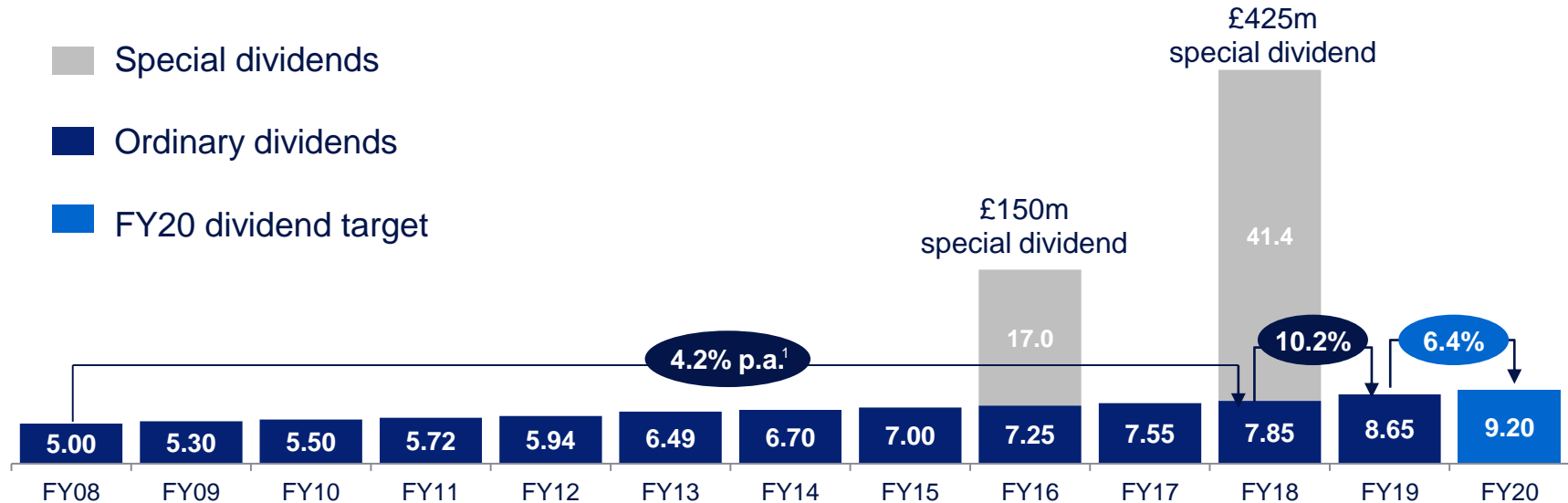
Note: Indexed to 100

This chart shows NAV growth including dividends

FY20 target dividend growth of 6.4%

Dividend growth since IPO

(pence per share)

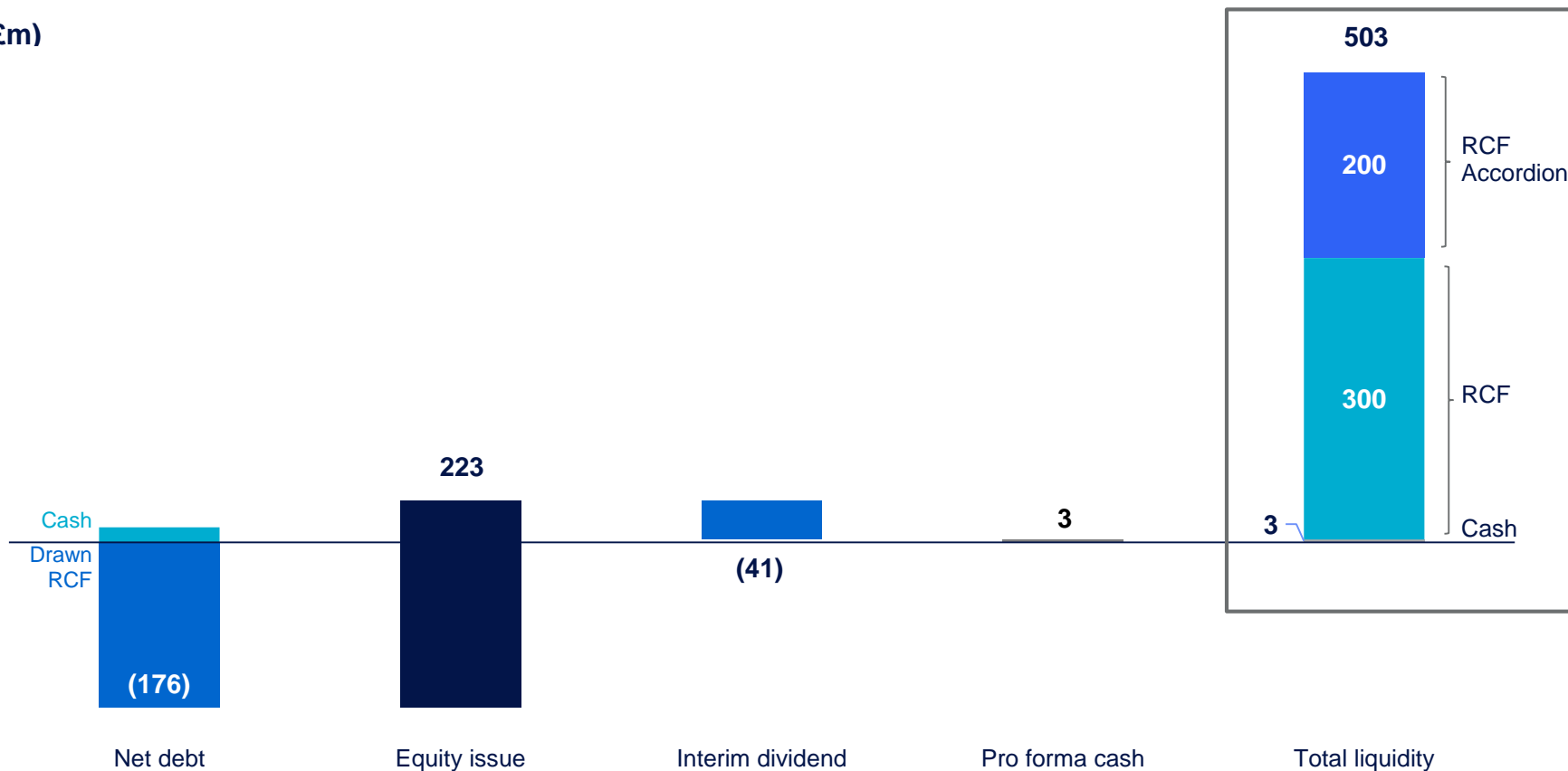


¹ Annualised growth rate in ordinary dividends to FY18

Efficient balance sheet



(£m)



Portfolio summary

30 September 2019 (£m)



Portfolio assets	Directors' valuation 31 March 2019	Investment in the period	Divestment in the period	Accrued income movement	Value movement	Foreign exchange translation	Directors' valuation 30 September 2019	Allocated foreign exchange hedging	Underlying portfolio income in the period	Portfolio total return in the period ¹
WIG	288	-	(5) ²	-	8	-	291	-	6	14
Infinis	289	-	(6) ²	-	3	-	286	-	9	12
Tampnet	198	-	-	2	24	3	227	(1)	2	28
TCR	187	-	-	5	5	3	200	(3)	6	11
Joulz	-	190	-	1	3	5	199	(4)	6	10
Ionisos	-	186	-	-	-	1	187	-	-	1
ESVAGT	160	9 ³	-	1	-	(2)	168	1	9	8
Oystercatcher	155	-	-	-	(3)	5	157	(3)	-	(1)
Attero	102	2 ³	-	-	2	3	109	(2)	4	7
Valorem	76	-	-	-	7	3	86	(2)	1	9
Economic infrastructure portfolio	1,455	387	(11)	9	49	21	1,910	(14)	43	99
Projects	197	13 ^{3,4}	(1) ²	2	18	-	229	(1)	8	25
India Fund	29	-	-	-	-	1	30	-	-	1
Total portfolio	1,681	400	(12)	11	67	22	2,169	(15)	51	125
Adjustments related to unconsolidated subsidiaries ⁵	16	-	1	4	(4)	-	17		4	-
Reported in the consolidated financial	1,697	400	(11)	15	85	-	2,186	(15)	55	125

1. This comprises the aggregate of value movement, foreign exchange translation, allocated foreign exchange hedging and underlying portfolio income in the period.

2. Shareholder loan repaid.

3. Capitalised interest.

4. Drawdown of commitment.

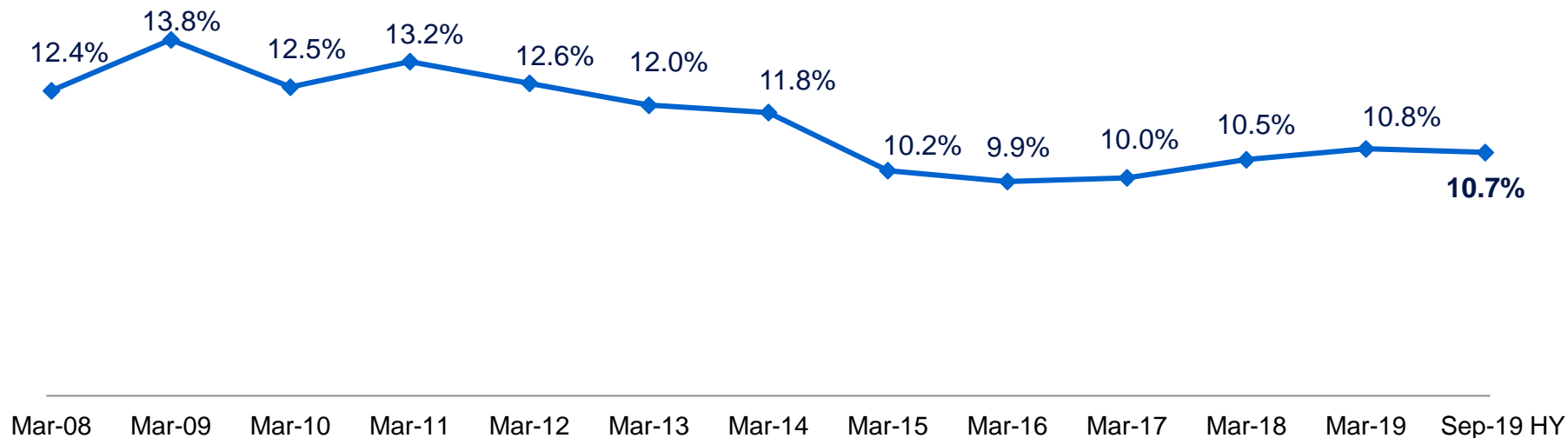
5. Income statement and balance sheet adjustments explained in the September 2019 Half-Year Report.

Discount rate movement

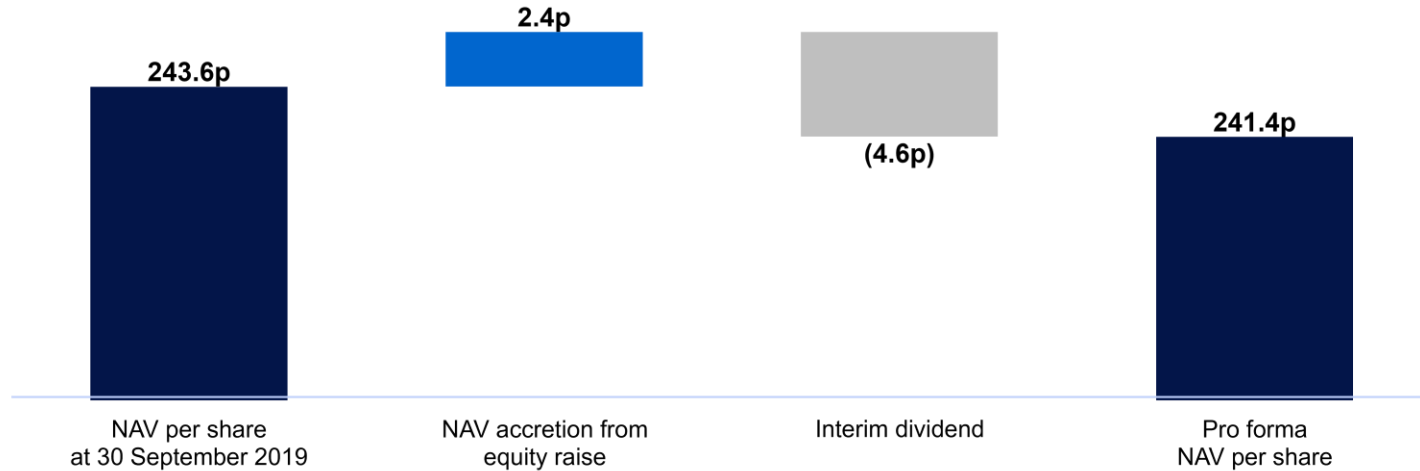


The weighted average discount rate has decreased to 10.7%

Portfolio weighted average discount rate



Pro forma NAV

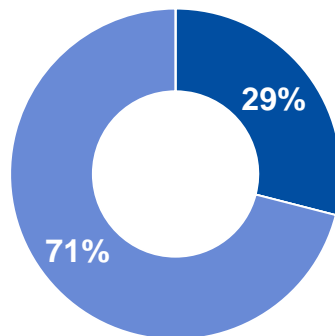


Sensitivities to total return

Inflation linkage

Assets with revenues:

- Directly linked to UK inflation
- Partly linked to inflation



Sensitivity (for European assets only)

+1% point

-1% point

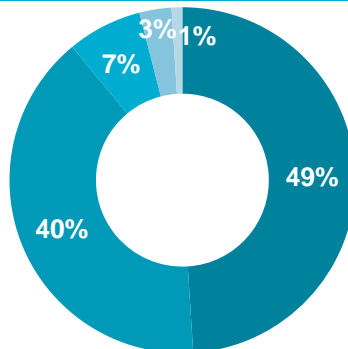
Change in inflation over
underlying assumption for
next 2 years

£51m

£(48)m

Foreign exchange

- EUR
- GBP
- NOK
- DKK
- INR



Sensitivity

+5%

-5%

Change in foreign
exchange rate¹

£6m

£(6)m

¹ The sensitivity calculation assumes that the hedging programme movements are fully effective. Foreign exchange sensitivity calculation includes cash held at 30 September 2019.

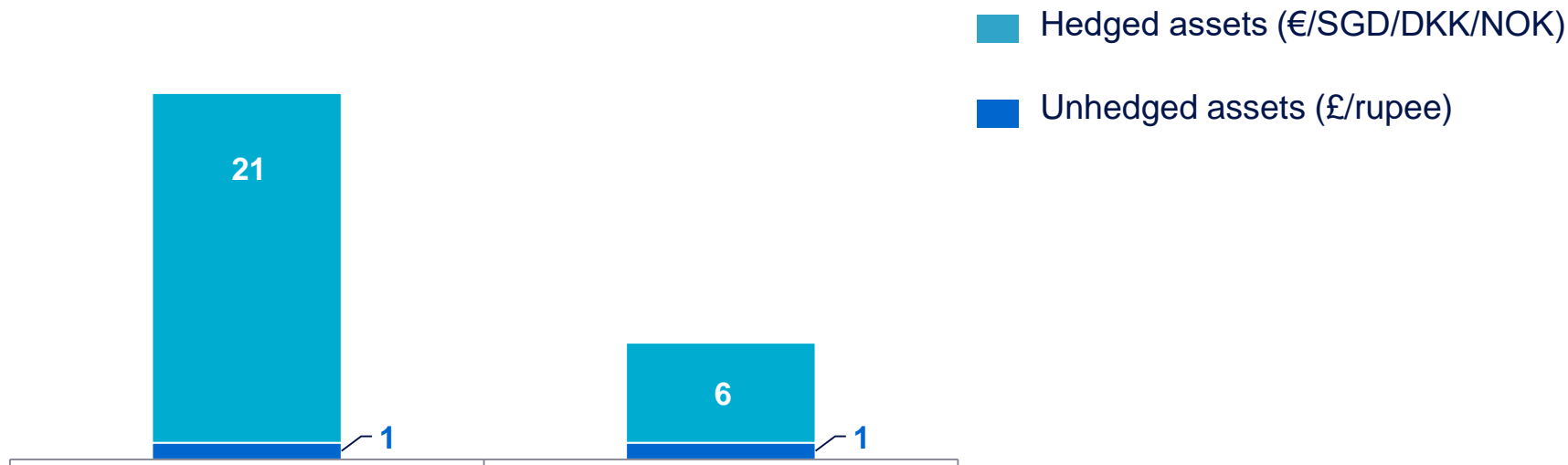
Hedging programme mitigates volatility



(£m)

FX gains before hedging

FX gains after hedging

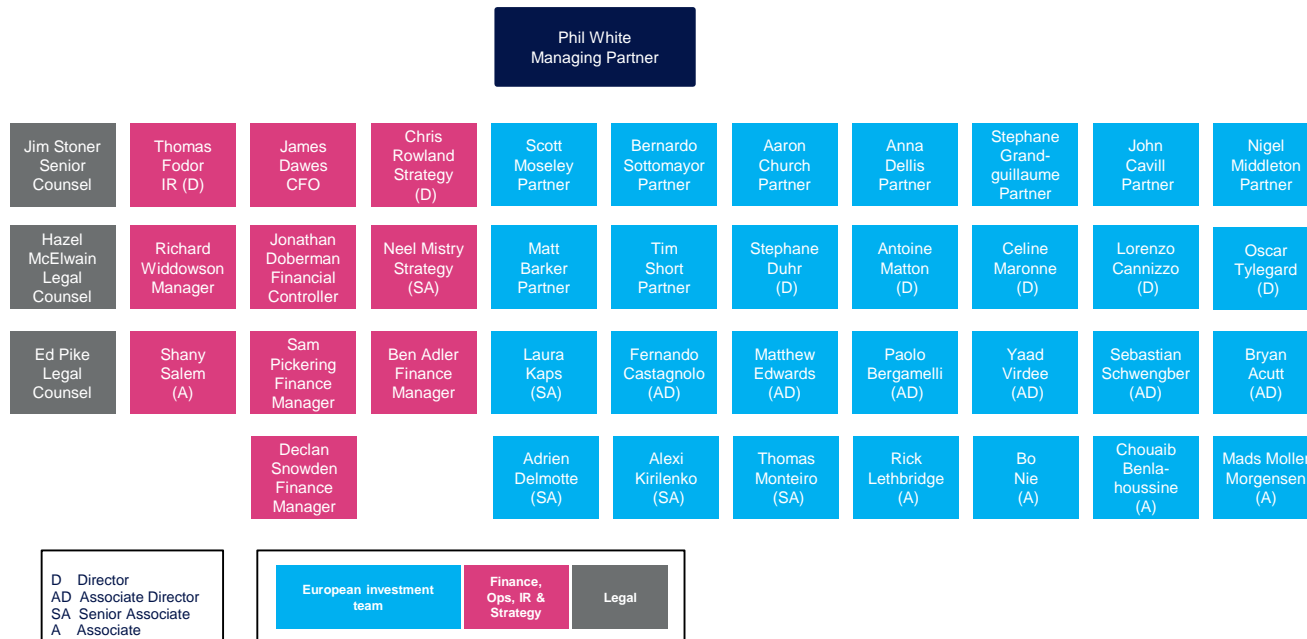


Note: SGD exposure is within Oystercatcher, a euro denominated investment.

The 3i Infrastructure European team

Experienced and well-resourced team established in 2006

3i Infrastructure plc



50-strong Infrastructure team in Europe, with c.30 Investment Professionals and dedicated legal, finance, IR and strategy executives



Board of Directors	<ul style="list-style-type: none">• Independent chair, four independent non-executive directors and one 3i Group appointed non-executive director• Committed to observe requirements of the UK Corporate Governance Code• Responsibilities include:<ul style="list-style-type: none">– overall supervision of 3i Investments plc as the investment manager– monitoring of investments and divestments
Investment Manager	<ul style="list-style-type: none">• Services provided by 3i Investments plc as the Company's investment manager include:<ul style="list-style-type: none">– origination, execution and realisation of investments– providing valuations of the Company's portfolio on a half-yearly basis– managing funding requirements and treasury management– managing the portfolio– providing support services in respect of the administration of the Company
Fees	<ul style="list-style-type: none">• Tiered management fee: 1.4% p.a. in respect of the portion of the gross investment value of the Company's portfolio up to £1.25 billion; 1.3% p.a. above £1.25 billion up to £2.25 billion; and 1.2% above £2.25 billion• One-off transaction fee: 1.2% of the acquisition price of each new Investment• No fee on cash or other net assets• Performance fee equal to 20% of the Company's total return in excess of 8%, payable in three equal annual instalments, with the 2nd and 3rd instalments only payable if the performance of the Company exceeds 8% in those years or is above the 8% hurdle over the three years on an annual basis

3i Infrastructure plc

